



4004

ANNUAL REPORT

OF

Name: BONDUEL TELEPHONE COMPANY

Principal Office: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

For the Year Ended: DECEMBER 31, 1997

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I GERALD A RINGLUND of
(Person responsible for accounts)

BONDUEL TELEPHONE COMPANY, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

GERALD A RINGLUND 04/17/1998
(Person responsible for accounts) (Date)

ASSISTANT TREASURER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: BONDUEL TELEPHONE COMPANY
Utility Location: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Utility Web Site Address:

When was utility organized?: 08/05/1909

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: GERALD A. RINGLUND
Title: ASSISTANT TREASURER

Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
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Email Address: gerald.ringlund@tdstelecom.com

Individual or firm, if other than utility employee, preparing this report

Name: KRISTINA D. KENYON
Title: STAFF ACCOUNTANT
Firm: TDS TELECOM
Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

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Person responsible for financial information contained in report

Name: GERALD A. RINGLUND
Title: ASSISTANT TREASURER

Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4554
Email Address: gerald.ringlund@tdstelecom.com

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS
Title: X

A

Office Address: 301 S WESTFIELD RD
MADISON, WI 53717-1707

Fax Number:
Telephone Number: (608) 999 - 9999
Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: TDS TELECOMMUNICATIONS CORPORATION
Address: 301 S WESTFIELD RD
MADISON, WI 53717-1707

Number of Shares Held: 6,633
Beneficial Owner: NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:
Form of Interest:
Extent Of Interest:

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,224,993	1,242,050	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	78,842	76,602	2
Plant Nonspecific Operations Expense	371,374	349,092	3
Customer Operations Expense (6610-6620)	263,461	223,682	4
Corporate Operations Expense (6710-6790)	216,149	188,819	5
Other Operating Income and Expense (7100)	357	324	6
Operating Taxes (7200)	146,726	189,520	7
Total Operating Expenses	1,076,195	1,027,391	8
Net Operating Income	148,798	214,659	9
Other Income			
Nonoperating Income and Expense (7300)	39,085	44,038	10
Nonoperating Taxes (7400)	6,839	10,815	11
Interest and Related Items (7500)	71,567	73,325	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	86	11,101	14
Total Nonoperating Income	(39,235)	(29,001)	15
Net Income	109,563	185,658	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

TELEPHONE PLANT

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

DEPRECIATION

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

REVENUES

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

PENSION

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

INCOME TAXES

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

resulting from investments in qualifying telephone plant and equipment have been deferred and are being amortized to income over the service lives of the related property.

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None.

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1997, the company has invested \$425,000 with Telecommunications Technologies Fund, Inc., and could distribute up to \$108,104 to the parent or other affiliates in the form of cash dividends.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	83,559	285,914	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	400	400	4
Temporary Investments (1160)	425,000	475,000	5
TOTAL CASH AND EQUIVALENTS	508,959	761,314	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	112,111	108,811	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	112,111	108,811	
Other Accounts Receivable (1190)*	151,124	150,138	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	151,124	150,138	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	2,451	7,585	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	265,686	266,534	
SUPPLIES			
Inventories (1220)*	19,546	24,598	13
TOTAL SUPPLIES	19,546	24,598	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	1,318	0	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	265	0	18
Other Prepayments (1330)	5,160	3,643	19
TOTAL PREPAYMENTS	6,743	3,643	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	295	20	20
TOTAL OTHER CURRENT ASSETS	295	20	
TOTAL CURRENT ASSETS	801,229	1,056,109	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	7,900	7,900	22
Nonregulated Investments (1406)*	10,373	2,213	23
Unamortized Debt Issuance Expense (1407)*	0	1,274	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	0	0	26
TOTAL INVESTMENTS	18,273	11,387	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	40,389	46,914	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	2,707	0	29
TOTAL DEFERRED CHARGES	43,096	46,914	
TOTAL NONCURRENT ASSETS	61,369	58,301	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	4,594,639	3,910,809	30
Less: Accumulated Depreciation (3100)*	2,087,622	1,908,709	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	2,507,017	2,002,100	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	20,645	210,647	39
TOTAL TPUC	20,645	210,647	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	2,527,662	2,212,747	
TOTAL ASSETS AND OTHER DEBITS*	3,390,260	3,327,157	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	116,375	95,717	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	21,496	21,660	3
Customer Deposits (4040)*	534	300	4
Current Maturities--Long-Term Debt (4050)*	52,700	51,807	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	64,223	44,503	7
Other Taxes--Accrued (4080)*	3,986	5,546	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	13,965	6,984	11
Other Current Liabilities (4130)*	15,507	0	12
TOTAL CURRENT LIABILITIES*	288,786	226,517	
LONG-TERM DEBT			
Funded Debt (4210)*	1,438,841	1,490,706	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	1,438,841	1,490,706	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	74,537	1,030	20
Unamortized Operating ITC--Net (4320)*	3,382	6,529	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	100,998	171,697	23
Net Deferred Tax Liability Adjustments (4341)*	38,510	43,330	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	1,881	3,586	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	219,308	226,172	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	165,825	165,825	28
Additional Paid-in Capital (4520)*	19,890	19,890	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	1,257,606	1,198,043	32
TOTAL STOCKHOLDERS' EQUITY*	1,443,321	1,383,758	
TOTAL LIABILITIES AND OTHER CREDITS*	3,390,256	3,327,153	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	109,563	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	277,981	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	2,525	4
Other noncurrent assets	2,544	5
Other current liabilities	61,376	6
Other liabilities and deferred credits	(6,864)	7
Other (specify):		
TOTAL ADJUSTMENTS	337,562	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	447,125	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(592,896)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(8,160)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(601,056)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(48,424)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(50,000)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(98,424)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(252,355)	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None .

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None .

3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

None .

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

None .

5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

None .

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

None .

7. Changes in articles of incorporation or amendments to charter.

None .

8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

In 1997 payphones were deregulated. Since that time, depreciation on this investment has been recorded as nonregulated expense. However, temporarily for internal tracking purposes, the net investment has not been reclassified to nonregulated activities as of 12/31/1997.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Other	OTHER	1
Suttle Press, Inc.	SUTTLE	2
Telephone & Data Systems, Inc.	TDS CORP	3
TDS Telecom, Inc.	TDS TEL	4
TDS Computing Services, Inc.	TDS/CS	5
Telecommunications Technologies Fund	TTF	6

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124	0005-TI-000124	None	0005-TI-000124	
Name of Affiliate	OTHER	OTHER	SUTTLE	TDS CORP	1
Designate whether billed to or from:	FROM	TO	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	M	C	3
Revenues	0	0	0	0	4
Expenses:					
Plant Specific Operations Expense	603	73	0	0	5
Plant Nonspecific Operations Expense	357	60	119	555	6
Customer Operations Expense	1,309	0	363	0	7
Corporate Operations Expense	0	0	0	28,529	8
Total Operating Expenses	2,269	133	482	29,084	9
Other:					
Plant Accounts	4,499	0	0	0	10
Accumulated Depreciation	0	0	0	0	11
Accumulated Amortization	0	0	0	0	12
Clearing	0	0	0	0	13
All Other	1,142	0	0	0	14
Total	7,910	133	482	29,084	15
Percent of affiliate's business billed to all affiliated regulated utilities			62.00		16
If cost based, rate of return on equity or markup incorporated in billings	0.00			0.00	17
Footnotes				L	

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars	(a)	(b)	(c)	(d)	(e)
Docket		0005-TI-000124	0005-TI-000124		
Name of Affiliate		TDS TEL	TDS/CS		1
Designate whether billed to or from:		FROM	FROM		2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)		C	C		3
Revenues		0	0		4
Expenses:					
Plant Specific Operations Expense		1,595	0		5
Plant Nonspecific Operations Expense		43,949	875		6
Customer Operations Expense		84,875	54,385		7
Corporate Operations Expense		118,062	12,152		8
Total Operating Expenses		248,481	67,412	0	9
Other:					
Plant Accounts		101,928	0		10
Accumulated Depreciation		0	0		11
Accumulated Amortization		0	0		12
Clearing		0	0		13
All Other		2,529	0		14
Total		352,938	67,412	0	15
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings		0.00	15.00		17
Footnotes					

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Telecommunications Technologies Fund	1160	425,000	1
Other	1190	941	2
TDS Telecom, Inc.	1190	30,894	3
TDS Computing Services, Inc.	1190	14,874	4
Telecommunications Technologies Fund	1210	2,188	5
Other	4010	1,637	6
Telephone & Data Systems, Inc.	4010	53,702	7 H
TDS Telecom, Inc.	4010	37,090	8

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off	0	1
Uncollectibles written off during the year	0	2
Net write offs during the year	0	

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
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NONE

Total				<u><u>0</u></u>	<u><u>0</u></u>	1
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	5,900	1
Other:		
RTB Class C Stock	2,000	2
Total Investments in Nonaffiliated Companies	7,900	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Direct Broadcast Satellite	355	1
Leased phones and business systems	10,018	2 I

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)	
None	0	1
Total	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	3,948	0	1
Motor Vehicles	2112	41,935	19,915	2
Aircraft	2113	0	0	3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	83,691	7,378	6
Buildings	2121	122,394	0	7
Furniture	2122	1,694	0	8
Office Equipment	2123	15,449	0	9 c
General Purpose Computers	2124	190,809	114,347	10
TOTAL--GENERAL SUPPORT ASSETS:		459,920	141,640	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	745,284	252,142	12 B
Electro-Mechanical Switching	2215	0	0	13 c
Operator Systems	2220	0	0	14
Radio Systems	2231	7,126	0	15 c
Circuit Equipment	2232	565,251	160,463	16 c
TOTAL--CENTRAL OFFICE ASSETS:		1,317,661	412,605	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	11,411	0	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		11,411	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	12,864	0	22
Aerial Cable	2421	27,865	269	23 c
Underground Cable	2422	0	0	24 c
Buried Cable	2423	2,024,730	235,537	25 c
Submarine Cable	2424	0	0	26 c
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28 c
Aerial Wire	2431	1,628	0	29
Conduit Systems	2441	54,730	0	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		2,121,817	235,806	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0		3,948	1
2112	11,271		50,579	2
2113	0		0	3
2114	0		0	4
2115	0		0	5
2116	0		91,069	6
2121	0		122,394	7
2122	0		1,694	8
2123	0	0	15,449	9 c
2124	3,900		301,256	10
	15,171	0	586,389	
2211	0		0	11
2212	28,889	(5,462)	963,075	12 B
2215	0	0	0	13 c
2220	0		0	14
2231	0	0	7,126	15 c
2232	3,452	0	722,262	16 c
	32,341	(5,462)	1,692,463	
2311	0		0	17
2321	0		0	18
2341	0		0	19
2351	0		11,411	20
2362	0		0	21
	0	0	11,411	
2411	0		12,864	22
2421	0	0	28,134	23 c
2422	0	0	0	24 c
2423	53,247	0	2,207,020	25 c
2424	0	0	0	26 c
2425	0		0	27
2426	0	0	0	28 c
2431	0		1,628	29
2441	0		54,730	30
	53,247	0	2,304,376	
2681	0		0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	3,910,809	790,051	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0		0	32
2690	0		0	33
	0	0	0	
	100,759	(5,462)	4,594,639	
2001			0	34
			4,594,639	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	2,144	0	1
Company Communications Equipment	2123.2	13,305	0	2
Software	2212.1	0	0	3
Digital Switching - Central Office	2212.2	745,284	252,142	4 B
Digital Switching - Remote	2212.3	0	0	5
Step by Step Switching	2215.1	0	0	6
Crossbar Switching	2215.2	0	0	7
Satellite and Earth Station Facilities	2231.1	0	0	8
Other Radio Facilities	2231.2	7,126	0	9
Digital Circuit Equipment	2232.1	472,670	124,300	10
Analog Circuit Equipment	2232.2	0	0	11
Light Wave Circuit Equipment	2232.3	92,581	36,163	12
Aerial Cable - Nonmetallic	2421.1	0	0	13
Aerial Cable - Metallic	2421.2	27,865	269	14
Underground Cable - Nonmetallic	2422.1	0	0	15
Underground Cable - Metallic	2422.2	0	0	16
Buried Cable - Nonmetallic	2423.1	288,052	0	17
Buried Cable - Metallic	2423.2	1,736,678	235,537	18
Submarine Cable - Nonmetallic	2424.1	0	0	19
Submarine Cable - Metallic	2424.2	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	0		2,144	1
2123.2	0		13,305	2
2212.1	0		0	3
2212.2	28,889	(5,462)	963,075	4 B
2212.3	0		0	5
2215.1	0		0	6
2215.2	0		0	7
2231.1	0		0	8
2231.2	0		7,126	9
2232.1	3,452		593,518	10
2232.2	0		0	11
2232.3	0		128,744	12
2421.1	0		0	13
2421.2	0		28,134	14
2422.1	0		0	15
2422.2	0		0	16
2423.1	0		288,052	17
2423.2	53,247		1,918,968	18
2424.1	0		0	19
2424.2	0		0	20
2426.1	0		0	21
2426.2	0		0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	20,708	15.0	7,035	1
Aircraft	2113	0	.0		2
Special Purpose Vehicles	2114	0	.0		3
Garage Work Equipment	2115	0	.0		4
Other Work Equipment	2116	44,788	10.0	8,364	5
Buildings	2121	42,867	3.4	4,164	6
Furniture	2122	1,694	10.0		7
Office Equipment	2123	15,448	19.86	(106)	8
General Purpose Computers	2124	106,934	20.0	39,100	9
Total-- GENERAL SUPPORT ASSETS		232,439		58,557	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0	.0		10
Digital Electronic Switching	2212	492,388	7.81	57,190	11B
Electro-Mechanical Switching	2215	0	.0		12
Operator Systems	2220	0	.0		13
Radio Systems	2231	5,216	9.5	672	14
Circuit Equipment	2232	291,702	9.92	56,636	15
Total-- CENTRAL OFFICE ASSETS		789,306		114,498	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0	.0		16
Customer Premises Wiring	2321	0	.0		17
Large Private Branch Exchanges	2341	0	.0		18
Public Telephone Terminal Equipment	2351	11,410	13.6	(570)	19
Other Terminal Equipment	2362	0	.0		20
Total-- INFORMATION ORIG/TERM ASSETS		11,410		(570)	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	13,903	10.0	1,284	21J
Aerial Cable	2421	22,933	6.0	1,671	22
Underground Cable	2422	0	.0		23
Buried Cable	2423	834,052	4.99	102,240	24
Submarine Cable	2424	0	.0		25
Deep Sea Cable	2425	0	.0		26
Intrabuilding Network Cable	2426	0	.0		27
Aerial Wire	2431	2,183	19.0	208	28K

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	2,484	3.03	1,656	29
Total-- CABLE WIRE FACILITIES ASSETS		875,555		107,059	0
Total Accumulated Depreciation	3100	1,908,710		279,544	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	11,271		3,000		19,472	1
2113	0				0	2
2114	0				0	3
2115	0				0	4
2116	0				53,152	5
2121	0				47,031	6
2122	0				1,694	7
2123	0				15,342	8
2124	3,900				142,134	9
	15,171	0	3,000	0	278,825	
2211	0				0	10
2212	28,889		2,675	(5,462)	517,902	11 B
2215	0				0	12
2220	0				0	13
2231	0				5,888	14
2232	3,452				344,886	15
	32,341	0	2,675	(5,462)	868,676	
2311	0				0	16
2321	0				0	17
2341	0				0	18
2351	0				10,840	19
2362	0				0	20
	0	0	0	0	10,840	
2411	0				15,187	21 J
2421	0	33			24,571	22
2422	0				0	23
2423	53,247	100	112		883,057	24
2424	0				0	25
2425	0				0	26
2426	0				0	27
2431	0	65			2,326	28 K

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0				4,140	29
	53,247	198	112	0	929,281	
3100	100,759	198	5,787	(5,462)	2,087,622	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	2,144	19.0	(107)		1
Company Communications Equipment	2123.2	13,304	20.0	1		2
Software	2212.1	0	33.33			3
Digital Switching - Central Office	2212.2	492,388	7.81	57,190		4 B
Digital Switching - Remote	2212.3	0	7.85			5
Step by Step Switching	2215.1	0	.0			6
Crossbar Switching	2215.2	0	.0			7
Satellite and Earth Station Facilities	2231.1	0	.0			8
Other Radio Facilities	2231.2	5,216	9.5	672		9
Digital Circuit Equipment	2232.1	247,518	10.0	47,798		10
Analog Circuit Equipment	2232.2	0	.0			11
Light Wave Circuit Equipment	2232.3	44,184	9.5	8,838		12
Aerial Cable - Nonmetallic	2421.1	0	4.8			13
Aerial Cable - Metallic	2421.2	22,933	6.0	1,671		14
Underground Cable - Nonmetallic	2422.1	0	4.1			15
Underground Cable - Metallic	2422.2	0	4.4			16
Buried Cable - Nonmetallic	2423.1	56,610	4.8	13,824		17
Buried Cable - Metallic	2423.2	777,442	5.0	88,416		18
Submarine Cable - Nonmetallic	2424.1	0	.0			19
Submarine Cable - Metallic	2424.2	0	.0			20
Intrabuilding Cable - Nonmetallic	2426.1	0	.0			21
Intrabuilding Cable - Metallic	2426.2	0	.0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	0				2,037	1
2123.2	0				13,305	2
2212.1	0				0	3
2212.2	28,889		2,675	(5,462)	517,902	4 B
2212.3	0				0	5
2215.1	0				0	6
2215.2	0				0	7
2231.1	0				0	8
2231.2	0				5,888	9
2232.1	3,452				291,864	10
2232.2	0				0	11
2232.3	0				53,022	12
2421.1	0				0	13
2421.2	0	33			24,571	14
2422.1	0				0	15
2422.2	0				0	16
2423.1	0				70,434	17
2423.2	53,247	100	112		812,623	18
2424.1	0				0	19
2424.2	0				0	20
2426.1	0				0	21
2426.2	0				0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	46,914	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(171,751)	5
Net Deferred Tax Liability Adjustments (4341)	(43,330)	6
Deferred Tax Regulatory Liability (4361)	(3,586)	7
Net Property Related Deferred Operating Income Taxes	(171,753)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(171,753)	
NONPROPERTY RELATED		
Other Current Assets (1350)	20	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	54	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	74	

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
	(6,525)			40,389	3
7250				0	4
7250	70,706			(101,045)	5
	4,820			(38,510)	6
	1,705			(1,881)	7
	70,706	0	0	(101,047)	8
				0	
	70,706	0	0	(101,047)	
7250			275	295	9
7250				0	10
				0	11
7250				0	12
7250	(8)		1	47	13
				0	14
				0	15
	(8)	0	276	342	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)
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NONE

Total Notes Payable	<u><u>0</u></u>	1
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LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA	06/25/1972-06/25/1975	06/25/2004	2.0000	1
REA	06/01/1993	04/24/2027	5.0000	2
RTB	09/19/1977-09/22/1983	09/19/2009-09/22/2015	7.0000	3
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
2.0000	0	0	179,063	30,605	209,668	1
5.0000	0	0	1,174,107	18,495	1,192,602	2
7.0000	0	0	85,671	3,600	89,271	3
	0	0	1,438,841	52,700	1,491,541	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
	20,000	25.00	1
TOTAL COMMON STOCK	20,000		
TOTAL	<u>20,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
COMMON STOCK:					
	6,633	165,825	0	0	1
	6,633	165,825	0	0	
TOTAL	<u>6,633</u>	<u>165,825</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,198,043	1,052,382	1
Changes:			
Balance Transferred from Income	109,563	185,658	2
Dividends Declared:			
Common	50,000	39,997	3
Preferred	0	0	4
Total Dividends Declared	50,000	39,997	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>1,257,606</u>	<u>1,198,043</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	74,081	16,749	55,234	1
Nonoperating Taxes (Accts. 7410 - 7450)		1,352	5,487	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		4	15	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>74,081</u>	<u>18,105</u>	<u>60,736</u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
662					146,726	1
					6,839	2
					0	3
					19	4
					0	5
					0	6
					0	7
					0	8
					0	9
662	0	0	0	0	153,584	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	441,509	438,682	2
Optional Extended Area Revenue (5002)	0	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	5,218	3,858	5
Public Telephone Revenue (5010)	828	3,134	6
Local Private Line Revenue (5040)	1,364	1,254	7
Customer Premises Revenue (5050)	40	31	8
Other Local Exchange Revenue (5060)	25,918	26,662	9
Other Local Exchange Revenue Settlements (5069)	0	0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	474,877	473,621	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	78,100	76,404	11
Switched Access Revenue (5082)*	266,044	265,316	12
Special Access Revenue (5083)*	0	0	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	344,144	341,720	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	247,671	246,470	15
Special Access Revenue (5084.3)*	25,373	37,982	16 D
TOTAL INTRASTATE ACCESS REVENUES (5084)	273,044	284,452	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)	0	0	18
Long Distance Outward-Only Revenue (5112)	0	0	19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)	0	0	20
Voice Grade Revenue (5122)	0	0	21
Audio Program Grade Revenue (5123)	0	0	22
Video Program Grade Revenue (5124)	0	0	23
Digital Transmission Revenue (5125)	0	0	24
Switching Revenue (5126)	0	0	25
Other Revenue (5128)	0	0	26
Other Revenue Settlements (5129)	0	0	27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0	0	28
Other Long Distance Revenue Settlements (5169)	0	0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	54,404	51,734	30
Rent Revenue (5240)*	14,797	18,850	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	237	287	34
Customer Operations Revenue (5262)	0	0	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	2,795	112	37
Other Revenue Settlements (5269)	365	408	38
Total Miscellaneous Revenue (5260)	3,397	807	
Interstate Billing and Collection Revenue*	16,690	24,851	39 E
Intrastate Billing and Collection Revenue*	47,038	47,592	40
Total Carrier Billing and Collection Revenue (5270)*	63,728	72,443	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	136,326	143,834	
GROSS OPERATING REVENUES	1,228,391	1,243,627	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	3,464	1,438	43
Uncollectible Revenue--Other (5302)	(66)	139	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	3,398	1,577	
TOTAL OPERATING REVENUES	1,224,993	1,242,050	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	2,883	3,180	565	1
Less: Nonregulated		0	0	2
Net Regulated	2,883	3,180	565	3
Total General Support Expense (6120)	19,227	17,495	1,585	4
Less: Nonregulated		0	0	5
Net Regulated	19,227	17,495	1,585	6
Total Central Office Switching Expense (6210)	11,052	18,243	10,919	7
Less: Nonregulated		0	0	8 F
Net Regulated	11,052	18,243	10,919	9
Total Operator Systems Expense (6220)	0	0	0	10
Less: Nonregulated		0	0	11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	4,719	4,233	2,456	13
Less: Nonregulated		0	0	14
Net Regulated	4,719	4,233	2,456	15
Total Information Orig. / Term. Expense (6310)	1,670	872	238	16
Less: Nonregulated		0	0	17
Net Regulated	1,670	872	238	18
Total Cable and Wire Fac. Expense (6410)	37,051	34,819	18,129	19
Less: Nonregulated		0	0	20
Net Regulated	37,051	34,819	18,129	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	76,602	78,842	33,892	
Less: Nonregulated	0	0	0	
Net Regulated	76,602	78,842	33,892	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	4,830	6,406	3,437	22
Less: Nonregulated		0	0	23
Net Regulated	4,830	6,406	3,437	24
Total Network Operations Expense (6530)	75,057	86,987	27,685	25
Less: Nonregulated		0	0	26
Net Regulated	75,057	86,987	27,685	27
Access Expense (6540)	0	0	0	28
Less: Nonregulated		0	0	29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	269,205	277,981		31
Less: Nonregulated		0		32
Net Regulated	269,205	277,981		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	349,092	371,374	31,122	
Less: Nonregulated	0	0	0	
Net Regulated	349,092	371,374	31,122	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	311	0	10,968	(8,664)	1
	0	0	0	0	2
	311	0	10,968	(8,664)	3
6120	1,213	0	14,697	0	4
	0	0	0	0	5
	1,213	0	14,697	0	6
6210	6,546	0	778	0	7
	0	0	0	0	8 F
	6,546	0	778	0	9
6220	0	0	0	0	10
	0	0	0	0	11
	0	0	0	0	12
6230	1,506	0	271	0	13
	0	0	0	0	14
	1,506	0	271	0	15
6310	168	0	466	0	16
	0	0	0	0	17
	168	0	466	0	18
6410	11,054	645	4,991	0	19
	0	0	0	0	20
	11,054	645	4,991	0	21
	20,798	645	32,171	(8,664)	
	0	0	0	0	
	20,798	645	32,171	(8,664)	
6510	1,818	0	1,151	0	22
	0		0	0	23
	1,818		1,151	0	24
6530	13,627	0	56,295	(10,620)	25
	0	0	0	0	26
	13,627	0	56,295	(10,620)	27
6540	0	0	0	0	28
	0	0	0	0	29
	0	0	0	0	30
6560			277,981		31
			0		32
			277,981		33
	15,445	0	335,427	(10,620)	
	0	0	0	0	
	15,445	0	335,427	(10,620)	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	39,977	56,210	5,679	34
Less: Nonregulated		0	0	35 G
Net Regulated	39,977	56,210	5,679	36
Total Services (6620)	183,705	207,251	38,537	37
Less: Nonregulated	0	0	0	38
Net Regulated	183,705	207,251	38,537	39
TOTAL CUSTOMER OPERATIONS EXPENSE	223,682	263,461	44,216	
Less: Nonregulated	0	0	0	
Net Regulated	223,682	263,461	44,216	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	39,051	44,369	10,346	40
Less: Nonregulated	0	0	0	41
Net Regulated	39,051	44,369	10,346	42
Total General and Administrative (6720)	149,768	171,780	3,902	43
Less: Nonregulated	0	0	0	44
Net Regulated	149,768	171,780	3,902	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	188,819	216,149	14,248	
Less: Nonregulated	0	0	0	
Net Regulated	188,819	216,149	14,248	
TOTAL EXPENSES	838,195	929,826	123,478	
Less: Nonregulated	0	0	0	
Net Regulated	838,195	929,826	123,478	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	2,513	0	48,018	0	34
	0	0	0	0	35 G
	2,513	0	48,018	0	36
6620	16,869		151,845	0	37
	0		0	0	38
	16,869		151,845	0	39
	19,382	0	199,863	0	
	0	0	0	0	
	19,382	0	199,863	0	
6710	3,012		31,011	0	40
	0		0	0	41
	3,012		31,011	0	42
6720	2,011		165,867	0	43
	0		0	0	44
	2,011		165,867	0	45
6790			0		46
			0		47
			0		48
	5,023	0	196,878	0	
	0	0	0	0	
	5,023	0	196,878	0	
	60,648	645	764,339	(19,284)	
	0	0	0	0	
	60,648	645	764,339	(19,284)	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	4,830	6,406	3,437	1
Provisioning Expense (6512)	0	0	0	2
Total: Reported in Account 6510	4,830	6,406	3,437	
Depreciat. Exp.--Tele. Plant in Service (6561)	269,205	277,981		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	0		7
Total: Reported in Account 6560	269,205	277,981		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	1,818		1,151	0	1
6512	0		0	0	2
	1,818		1,151	0	
6561			277,981		3
6562			0		4
6563			0		5
6564			0		6
6565			0		7
			277,981		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	1,228,391	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	357	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	<u>1,228,748</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	474,877	1
Plus: Total Intrastate Access Revenues (5084)	273,044	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>747,921</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,228,391	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	357	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	1,228,748	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	474,877	1
Plus: Total Intrastate Access Revenues (5084)	273,044	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	747,921	

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	357	324	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	357	324	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(3,147)	(3,147)	6
Operating Federal Income Taxes (7220)*	115,765	110,074	7
Operating State and Local Income Taxes (7230)*	30,065	28,832	8
Operating Other Taxes (7240)*	74,743	73,156	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(70,700)	(19,395)	10
TOTAL OPERATING TAXES (7200)*	146,726	189,520	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	145	150	11
Interest Income (7320)*	41,453	45,827	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0	0	16
Special Charges (7370)*	2,513	1,939	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	39,085	44,038	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	5,487	8,679	19
Nonoperating State and Local Income Taxes (7430)*	1,352	2,136	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes--Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	6,839	10,815	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	70,148	72,710	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	1,274	133	25
Other Interest Deductions (7540)*	145	482	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	71,567	73,325	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	86	11,101	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	55,415	1
Less: Cost of Goods Sold	12,567	2
Net Sales	42,848	3
Expenses (Acct. 7990.2)	42,762	4
Nonregulated Net Income	86	5

List the type of nonregulated activities that company is involved in:

Nonregulated activities include the sale, leasing, installation and maintenance of 1 & 2 line phones, key systems, PBXs, data modems, and Direct Broadcast Satellite (DBS). In addition, nonregulated activities include sales and leasing of mobile and pager equipment where the tariff allows.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	123,478	1
Nonregulated Expense	13,775	2
Plant Accounts	14,409	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	21,865	5
Total Salaries and Wages	173,527	6

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	1.00	1.00	50,376	2
Other Employees	4.00	4.00	115,275	3
Total	5.00	5.00	165,651	

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Total	5.00	5.00	165,651	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
Total Local	0	0	
TOLL			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA		320	8
Customer Dialed: State--interLATA		149	9
Customer Dialed: Interstate		216	10
WATS			11
Other Toll-Undefined			12
Total Toll	0	685	
Total Local & Toll	0	685	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	1,191	916	1,798	0	7
Feature Group D -- Term.	1,229	753	1,789	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	1	1
Sheath miles of plant - buried	181	2
Sheath miles of plant - fiber optics	20	3
Strand miles of plant - fiber optics	254	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	1	4	1
56 kbps	3	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	3	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	1	1
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45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	202	180	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	11	0	6
Centrex Trunks	0	0	7
Centrex Lines	14	93	8
Key System Trunks	41	39	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	19	11
FX-Out (Switched)	2	2	12
Pay Telephone	0	7	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	5	0	16
- Semi-Public	5	0	17
- Cust. Owned	1	0	18
Other	0	0	19
Total Business Lines	281	340	20
Residential (Incl. Emp. Concess.)			
1 Party	1,411	1,452	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	5	5	25
Other	1	1	26
Total Residential Lines	1,417	1,458	27
Total Bus & Res Lines	1,698	1,798	28
Company Used Lines	36	47	29
Total Lines Used	1,734	1,845	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	1	1	4
FX-In-intraLATA	22	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	7	4	7
Special Access-interLATA			8
(expressed in equiv. access lines)	96	76	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	120	120	13
TSPS - Trunks	6	6	14
EAS - Trunks	24	72	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	1	1	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	3,450,889	4,008,250	27
Total Company Square Miles	116	103	28
Total Company Route Miles	192	194	29
Footnotes			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0630				1
Business					2
1 Party	180				3
2 Party	0				4
4 Party	0				5
PBX Trunks/System Trunks	0				6
Centrex Trunks	0				7
Centrex Lines	93				8
Key System Trunks	39				9
Mobile (utility provided service)	0				10
Paging (utility provided service)	19				11
FX-Out (Switched)	2				12
Pay Telephone	7				13
Coin-Operated Pay Telephone	0				14
Independent Pay Telephone Provider	0				15
Pay Stations - Public	0				16
- Semi-Public	0				17
- Cust. Owned	0				18
Other	0				19
Total Business Lines	340	0	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,452				22
2 Party	0				23
4 Party	0				24
FX-Out (Switched)	5				25
Other	1				26
Total Residential Lines	1,458	0	0	0	27
Total Bus & Res Lines	1,798	0	0	0	28
Company Used Lines	47				29
Total Lines Used	1,845	0	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0630				1
Miscellaneous					2
WATS Lines - OutWATS	0				3
WATS Lines - 800 Service	1				4
FX-In-intraLATA	0				5
Special Access-intraLATA					6
(equiv. access lines)	4				7
Special Access-interLATA					8
(equiv. access lines)	76				9
Feature Group A Lines	0				10
Feature Group B Trunks	0				11
Feature Group C Trunks	0				12
Feature Group D Trunks	120				13
TSPS - Trunks	6				14
EAS - Trunks	72				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning					17
- discounted (special tariff)	1				18
Customers					19
Business - 2 Party Customers	0				20
Business - 4 Party Customers	0				21
Residential - 2 Party Customers	0				22
Residential - 4 Party Customers	0				23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	4,008,250				27
Exchange Square Miles	103				28
Exchange Route Miles	194				29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	BONDUEL				1
PSCW Exchange ID	0630				2
Central Office Name	BONDUEL				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	NTI				5
Year COE Installed	1991				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	S				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	409.1				11
SS7?	No				12
9-1-1?	No				13
Access Lines - In Use	1,845				14
- Equipped	2,144				15
- Wired	2,144				16
Trunks - In Use	198				17
- Equipped	336				18
- Wired	336				19
ISDN Available?	No				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	No				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	10				25
DS-3 - In Use	1				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) ¹	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	36				33
No. of fiber strands working (LIT) in C.O.	20				34
No. of fiber strands for interoffice use	37				35
Miles of fiber sheath in wire center	20				36
Access Tandem Serving this C.O.:					
- C.O. Name	CLINTONVILLE				37
- PSCW C.O. ID	1150-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	No				41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote**

Schedule Footnotes**Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)****Footnote. Page 30**

The adjustment for account 1350, Other Current Assets, (Nonproperty Related) is due to truing up the amount of gift certificates outstanding.

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

This schedule has been completed to the best of our ability. The information requested by number of telephone calls in column (b) is not available due to a change in our companys method of tracking call traffic. We no longer track by the number of calls. Numbers in column (c), lines 1 through 10, contain both customer dialed and operator handled minutes of use. Further breakdown is not available.

Schedule Line Footnotes

- A) Contact Gerald Ringlund at (608) 664-4554 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at (608) 664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.
- B) Amounts in columns (g) and (k) are reclasses between accounts or transfers with affiliates.
- C) No data entered in columns (g) or (k) for these accounts.
- D) Intrastate interlata special access revenues decreased due to the removal of circuits from billing.
- E) Interstate billing and collection revenues decreased due to lower AT&T proqraming revenues.
- F) Switch expense increased due to higher labor for a switch update.
- G) Marketing expense increased due to an intensified effort to promote regulated product lines.
- H) Federal income tax payable to parent is recorded in account 4070100.
 - I) Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.
- J) Per the PSC, we are allowed to depreciate this account to 150%.
- K) Per the PSC, we are allowed to depreciate this account to 171%.
- L) TDS Corp Chicago and TDS Corp Madison were merged 4/1/96. All charges from TDS Corp Madison after 4/1/96 are included in the TDS CORP column.